



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
Chief Administrative Officer

February 26, 2007

To: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer  
  
Dave Lambertson, Director  
Internal Services Department

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**STATE CLIMATE CHANGE REGULATIONS AND FEDERAL LEGISLATION ACTION PLAN**

California's Global Warming Solutions Act (AB 32), which the County supported, was signed into law in 2006. It requires that production of greenhouse gases (GHG) in California be reduced to 1990 levels by the year 2020 – an estimated 30 percent total reduction. Most GHG are produced through the combustion of fossil fuels (e.g. natural gas, gasoline). The sectors primarily responsible for their production include: transportation, electricity generation and industrial (mainly refineries).

The County's operations and its programs will be affected significantly by the implementation of this landmark legislation which will be accomplished through Statewide rulemaking. We will work with all affected departments and the County Energy and Environmental Team established by the Board of Supervisors to monitor, evaluate, and make recommendations on State rules and regulations, and assess the impact of any Federal legislation that may affect the State's implementation of AB 32.

**Background**

AB 32 authorizes the California Air Resources Board (CARB) to be the lead agency for developing and implementing the rules and regulations to enforce this legislation. CARB will develop a general plan of action by the end of calendar year 2009. Other significant milestone dates include:

- 12/31/2007: establish the Statewide baseline emissions levels for 1990 and the 2020 reduction targets;
- 12/31/2007: adopt regulations for mandatory reporting; and
- 12/31/2008: adopt regulations for GHG reduction measures which can be enacted now (e.g., energy efficiency).

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In addition, industry-specific rules and regulations will be developed at other State agencies including the California Public Utilities Commission, the California Energy Commission, the Department of Water Resources, and the Integrated Waste Management Board. Attachment I includes a list of these agencies and the general issues addressed.

### **Potential Impacts**

All businesses and constituents will be affected. As rules and regulations are adopted, immediate impacts will be felt through the cost of compliance and the higher cost of fossil fuel-related energy and purchased products. Impacts to the County's current policies and programs and the County's role in reporting its own GHG generated emissions will be addressed in these proceedings. General questions regarding possible impacts to the County related to AB 32 implementation are included as Attachment II.

### **County Action Plan**

The County Energy & Environmental Team, created as a result of your Board's approval of the County's Energy & Environmental Policy on January 16, 2007, will coordinate the resources of the Internal Services Department (ISD), the Regional Planning Department, the Department of Public Works, County Counsel, and other involved departments to track the Statewide rulemaking proceedings; assess potential impacts to the County; and intervene when necessary on behalf of the County. ISD and the Chief Administrative Office (CAO) will monitor Federal legislation that may impact the State's implementation of AB 32. The CAO and Regional Planning will coordinate County AB 32 activities with the South Coast Air Quality Management District. Also, the CAO and ISD will coordinate with the California State Association of Counties, the Urban Counties Caucus, and other local governments, public agencies and mutual interest entities participating in these proceedings in an effort to maximize resources, present a unified position and keep other local governments and public agencies informed of the important issues.

County activities with regard to AB 32 will be reported to your Board in the semi-annual County Energy and Environmental Team report. ISD and the CAO will also be scheduling a briefing for your offices on this issue.

The point of contact for AB 32 activities in the CAO is Eddie Washington (213-893-2479) or Marshall Langberg (213-974-1114) and in ISD is Howard Choy (323-881-3939).

DEJ:DL  
HWC:g

### **Attachments**

c: Raymond G. Fortner, County Counsel  
Bruce McClendon, Regional Planning  
Donald L. Wolfe, Public Works

## **Attachment I**

### **AB 32 Climate Change Legislation**

List of California State Agencies and the issues they will address in proceedings:

#### **California Air Resources Board (CARB)**

- Reduce GHG through improved vehicle and vehicle fuel standards,
- Reduce hydro-fluorocarbons (HFC - the refrigerant used in vehicle air conditioners and building cooling systems),
- Reduce GHG leaks in oil and gas storage systems and in diesel and standby generator operations,
- Assess a Statewide emissions trading market including credits and offsets for measures that reduce GHG.

#### **California Public Utilities Commission**

- Establish GHG baselines and reduction targets for investor owned utilities,
- Determine the value of renewable resources, energy efficiency and cogeneration in reducing utility GHG,
- Assess a power industry-specific emissions market.

#### **California Energy Commission**

- Improve building and appliance efficiency standards to reduce GHG,
- Determine the value of "green buildings" in reducing GHG,
- Establish GHG baselines and reduction targets for municipal utilities,
- Determine the value of renewable resources, energy efficiency and cogeneration in municipal utility territories.

#### **Department of Water Resources**

- Establish the value of water efficiency and conservation in reducing GHG.

#### **Integrated Waste Management Board**

- Strengthen Statewide recycling programs,
- Re-assess State-wide recycling targets,
- Investigate increased landfill gas use.

## **Attachment II**

### **AB 32 Climate Change Legislation**

Fundamental implementation questions for local governments like the County include:

1. Who will have to provide compliance reporting indicating emissions production responsibility and reductions?
2. Will reporting be industry sector specific or customer specific? (e.g., will utilities report for the power sector and/or will large customers also report?)
3. For all reporting, how will the 1990 "baselines" be established?
4. How will past, current and future programs which reduce GHG be treated?
5. When will information (e.g., value of reduced GHG emissions) be available to (re)evaluate our programs and policies?
6. What will be the role for our regional planners, transportation planners, energy program managers, water resource and environmental program managers?
7. What will be the role of local governments regarding regional implementation, enforcement and protection of disadvantaged sectors?
8. How will potential emissions markets work?
9. How will credits be calculated and assigned?
10. What will be the treatment of past, current and future programs related to energy efficiency savings, landfill diversion, fleet conversion, green policies and standards?
11. How will HFC (and other GHG) be re-regulated where specific phase-out rules are already in place?